

**OFFICIAL PROCEEDINGS OF THE BOARD OF
TRUSTEES
CITY OF LANSING
EMPLOYEES RETIREMENT SYSTEM**

Regular Meeting
City Council Conference Room
10th Floor, City Hall
Lansing, MI

November 20, 2014
Thursday, 8:30 a.m.

The Board met in regular session and was called to order at 8:41 a.m.

Present: Boles, Dedic, Munroe, Dennis Parker, Mark Parker – 5
Absent: Trustee Bernero, Kraus, McCaffery, McIntyre

Others: Angela Bennett, Karen E. Williams, Finance Department; Attorney Kenneth Lane, Clark Hill (representing the City Attorney's Office).

It was moved by Trustee Mark Parker and supported by Trustee Dennis Parker to approve the Official Minutes of the Employees' Retirement System Regular Meeting of October 23, 2014.

Adopted by the following vote: 5-0

There were no public comments.

Secretary's Report. 3 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 11 retired (sept/oct). Total active membership: 297. Total deferred: 68. 1 death(s) Ellen Baum, died 10/3/2014, age 95, spouse of Teamster retiree. Refunds made since the last regular meeting amounted to \$4,325.26. Retirement allowances paid for the month of October 2014, amounted to \$1,872,769.85. Total retirement checks printed for the ERS System: 909. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

It was moved by Trustee Mark Parker and supported by Trustee Boles to approve the requests for Regular Age and Service retirements:

Stephanie L. Whitbeck, (HRCS/Teamster), 12 years, 11 months of service credits, age 64, effective November 1, 2014 (From Deferred)

Katherine Lipsky (Public Service/Teamster), 11 years, 1 months of service credits, age 60, effective November 1, 2014.

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It was moved by Trustee Mark Parker and supported by Trustee Boles to approve the requests for Regular Age and Service retirements (continued):

Ronna Shively, (Police/Civilian-Teamster), 11 years, 2 months of service credits, age 66, effective December 5, 2014.

Adopted by the following vote: 5-0

There were no requests for duty disability retirements.

Ms. Williams reported that the Retirement Office had received some documents and the medical release from Applicant #2014 – E0619. The applicant's documents had been forwarded to the Medical Director for review and scheduling.

Ms. Williams reported that Ms. Angela Matthews, FOP 911 had submitted a request for refund of her accumulated contributions of \$529.60. Ms. Matthews was not vested.

It was moved by Trustee Mark Parker and supported by Trustee Dennis Parker to approve the following Request for Refund of Accumulated Contributions:

Angela Matthews, FOP 911, \$529.60

Adopted by the following vote: 5-0.

Ms. Williams reported that Trustee Kraus and Trustee McCaffery had contacted the Retirement Office to be excused from the November meeting. Trustee Kraus does not need to be excused because she is ex-officio.

It was moved by Trustee Mark Parker and supported by Trustee Boles to excuse Trustee McCaffery from the November Employees Retirement System meeting.

Adopted by the following vote: 5-0

Attorney Ken Lane reported that in 2008 the retirement systems applied for independent federal employer identification numbers. Attorney Lane had been using those numbers on investment contracts. Retirees receive their benefits under the City of Lansing federal employer identification number and it has been determined with the assistance of administration that using the independent federal numbers can be problematic for retirees filing taxes. The City Attorney researched the issue and determined that there was no legal reason for separate federal employer identification numbers for the retirement systems. The City Attorney that the retirement systems could return to using the City of Lansing federal employer identification number.

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Trustee Boles inquired if the retiree benefits could be transferred to the separate Retirement Board federal employer identification numbers.

Attorney Lane stated that it would be smoother to keep the retirees with the City of Lansing federal employer identification number. Since the time of the separate identification numbers, the State of Michigan now taxes retiree pensions. Attorney Lane stated that with the assistance to Asset Consulting Group, a letter has been drafted to inform investment managers.

Attorney Lane reported that Public 314 requires that the City of Lansing retirement systems create an annual budget. Attorney Lane stated that he would provide a draft budget at the next meeting.

Attorney Lane reported that he distributed a letter from Robbins, Gellar, and their request to come to the Joint Meeting. At that time, the Employees Retirement Board declined the request. Robbins Gellar has contacted individual trustees requesting if they could come address the Retirement Boards at the Joint meeting. The retirement board noted if they did come to the meeting, they could speak during public comment.

Karen Williams submitted the Northern Trust Custodian Bank SAS 70 Report for review by the trustees per ERS Board Policy at the last meeting. Ms. Williams reported that the Board generally accepts the report each year after legal and information technology review.

Attorney Lane indicated that he reviewed and informed the Employees Retirement System that report complied with Public Act 314 and he had no issue with it. Attorney Lane noted that the information technology information is the same as last year.

It was moved by Trustee Mark Parker and supported by Trustee Boles to accept the Northern Trust Custodian Bank SAS 70/Custody and Fund services SOC 1 Report.

Adopted by the following vote: 5 – 0

Karen Williams reported that the Finance Director, Angela Bennett has provided a memo notifying the Employees Retirement System Board that the 2014 pension contribution.

Ms. Angela Bennett stated that \$10,300,000 was contributed as of November 3, 2014. Ms. Bennett informed the Employees Retirement System Board that once the actuarial valuation has been finalized and accepted by trustees, the remaining balance of \$247,556 will be contributed

Ms. Williams distributed the 2015 Schedule of Board Meeting dates for review and approval.

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It was moved by Trustee Dennis Parker and supported by Trustee Mark Parker to accept the 2015 Schedule of Board Meeting dates.

Adopted by the following vote: 5 - 0

Karen Williams distributed the Employees Retirement System Actuarial Valuation as of December 31, 2013. Ms. Williams indicated that Boomershine also providing a funding policy for the Board's review.

Trustee Dedic requested Ms. Bennett's comments regarding the report.

Ms. Angela Bennett reviewed a list of recommendation for the actuarial valuation that included amendments to the assumptions and methods, member contributions, normal retirement benefit formula, post-retirement benefit adjustment section. Ms. Bennett also requested that the actuary include the schedule of employer contributions and schedule of funding progress in both the valuations and the new GASB reports for transparency and consistency.

Trustee Boles agreed that the schedules should remain in the valuation, because they have been historically included.

Trustee Dedic requested that the Retirement analyst contact Boomershine Consulting Group and provide the list of recommendations for the actuarial valuation.

Attorney Ken Lane reviewed the funding policy and it complies with Public Act 314. Attorney Lane notified Mr. Greg Stump suggested amendments to the funding policy to clarify language.

The Employees Retirement Board agreed to discuss the actuarial valuation and funding policy at the next meeting, once the suggestions amendments had been addressed.

Karen E. Williams reviewed the status of the Tegrity Software project. Tegrity have completed drafts for the retirement calculator and retirement estimator. Trustee Mark Parker reviewed the retirement estimator draft and provided suggestions that will be incorporated in the Arrivos software. Tegrity continues to work on the data migration and will provide an updated schedule for the project.

Attorney Ken Lane reported a request from Tegrity to use the City of Lansing Retirement Boards name and City logo in its promotional material. Attorney Lane reported that he reviewed the request with the City Attorney's Office and the City logo could be used with permission. Attorney Lane indicated that Police and Fire decided to wait until the completion of the project before providing permission to use the City's name and logo.

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It was moved by Trustee Munroe and supported by Trustee Dennis Parker to wait until the completion of the project before permission is granted to Tegrity to use the City of Lansing Employees Retirement System name and logo.

The Asset Consulting Group Investment Materials was moved to the Joint Board meeting.

Karen Williams reviewed the City of Lansing Employees Retirement System Quarterly Expense Report for the third quarter ending September 2014.

The meeting adjourned at 9:18 a.m.

Minutes approved on _____

Angela Bennett, Secretary
Employees Retirement System

Scott Dedic, Chairperson
Employees' Retirement System